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THE Demand and Price SITUATION

BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

WASHINGTON, D.C.



APRIL 1947

THE DEMAND AND PRICE SITUATION

Approved by the Outlook and Situation Board, April 25, 1947

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SUMMARY

High industrial activity, virtually full employment, gradually rising consumer incomes, and very large current and prospective foreign needs have kept the demand for farm products strong.

On March 15, average prices for farm products at three levels--prices received by farmers, wholesale prices of foods, and consumers' price of food--were all at record highs. More recently, prices of farm products at central markets and wholesale prices of food have receded somewhat. Later consumer price reports are not available.

Because the spurt in March was not uniform among commodities, downward price readjustments of some farm products are likely to occur. Due to the strength of basic sources of demand, however, and with stocks of most products as low or lower than normal, there is no indication of an immediate marked decline in prices. Prices of farm products are expected to remain relatively high at least until prospects for 1947 crops begin to be an important influence. Prices could decline sharply if there should be a recession in consumer incomes or general business activity.

(For release May 5, a.m.)

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ECONOMIC TRENDS AFFECTING AGRICULTURE

	Unit or: base period:	1946				1947	
		Year	Feb.	Nov.	Dec.	Jan.	Feb.
Industrial Production <u>1/</u>	1935-39:						
Total	= 100 :	170	152	183	182	189	189
All manufactures	" :	177	154	191	190	196	196
Durable goods	" :	192	138	214	211	221	222
Nondurable goods	" :	165	167	173	173	177	176
Minerals	" :	134	141	136	137	146	145
Construction activity <u>1/</u>	1935-39:						
Contracts, total	= 100 :	263	237	242	268	254	263
Contracts, residential	" :	343	233	299	350	353	373
Wholesale prices <u>2/</u>	1935-39:						
All commodities	= 100 :	150	134	173	175	176	179
All commodities except farm and food	" :	135	125	149	154	157	158
Farm products	" :	196	172	223	221	217	224
Food	" :	165	136	209	202	197	205
Prices received and paid by farmers <u>3/</u>	1910-14: = 100 :						
Prices received, all prod....	" :	233	207	263	264	260	262
Prices paid, int. and taxes..	" :	194	178	212	213	215	221
Parity ratio	" :	120	116	124	124	121	119
Consumers' price <u>5/ 6/</u>	1935-39:						
Total	= 100 :	139	130	152	153	153	153
Food	" :	160	140	188	186	184	182
Nonfood	" :	128	124	132	135	136	136
Income	1935-39:						
Nonagricultural payments <u>4/</u> ..	= 100 :	239	226	247	250	251	253
Cash farm <u>3/</u>	" :	300	289	367	363	366	352
Income of Industrial Workers <u>3/</u> :	" :	270	221	298	305	306	307
Factory payrolls <u>5/</u>	" :	284	228	317	326	327	331
Weekly earnings of factory workers <u>5/</u>	Dollars:						
All manufacturing	" :	43.73	40.58	45.79	46.86	46.94	46.79
Durable goods	" :	46.48	42.57	48.62	49.46	49.47	49.17
Nondurable goods	" :	41.01	39.01	42.87	44.15	44.33	44.30
Employment	:						
Total civilian <u>7/</u>	Millions:	55.2	51.0	57.0	56.3	55.4	55.5
Employees in nonagri. est. <u>5/</u> :	Thous.:	40,712	38,148	42,439	42,928	41,795	41,850
Farm <u>3/</u>	" :	10,012	7,799	10,809	9,405	8,272	8,280
Government finance (Federal) <u>8/</u> :	Mil. dol:						
Receipts, net	" :	3,467	3,678	2,364	4,107	3,820	4,378
Expenditures	" :	3,817	3,510	2,557	3,618	3,005	3,946

Annual data for the years 1929-46 appear on page 11 of the April 1947 issue of the Demand and Price Situation.

Sources: 1/ Federal Reserve Board; converted to 1935-39 base. 2/ U. S. Dept. of Labor, B.L.S. 3/ U. S. Dept. of Agriculture, BAE. To convert prices received and prices paid, interest and taxes to the 1935-39 base, multiply by .93110 and .78125 respectively. 4/ U. S. Dept. of Commerce. 5/ U. S. Dept. of Labor B.L.S. 6/ Consumers' price index for moderate-income families in large cities. 7/ U. S. Dept. of Commerce, Bureau of Census. 8/ U. S. Dept. of Treasury. Data for 1946 are on average monthly basis.

OUTPUT AND EMPLOYMENT

Industrial production in March remained at the high levels of January and February. The Federal Reserve Board's seasonally adjusted index of production stayed at 139 percent of the 1935-39 average, 12 percent above a year ago and 3 percent above the fourth quarter of 1946. Record peacetime rates of steel output were established in March when steel ingot production rose to 97 percent of capacity.

Motor vehicle production was at an annual rate of 5.5 million units during March, the highest since the end of the war. This rate had risen steadily from about 4.6 million units in December 1946, and was above the 1941 production of 4.8 million.

Total employment in March was estimated at 56.0 million persons, 0.5 million more than in February and 3.6 million more than in March 1946. A seasonal increase of 320,000 in agricultural employment and an increase of 220,000 in nonagricultural employment more than offset the increase of 380,000 in the civilian labor force. As a result, unemployment declined from 2.5 million in February to 2.3 million in March.

The seasonally adjusted annual rate of income payments in February was \$176.6 billion, 13 percent above a year ago, but slightly below the January rate of \$177.1 billion. Salary and wage payments increased slightly in February, continuing a rise that began in March, 1946. The seasonally adjusted index of salaries and wages in February was 263 percent of the 1935-39 average, 15 percent above a year ago and 2 percent above the fourth quarter of 1946.

The dollar value of sales at department stores in March, seasonally adjusted, remained at the February level. They were about 6 percent below the peak value of August 1946 but 6 percent higher than in March a year ago. Retail prices of nonfood items have risen about 9 percent in the last year, however, indicating that the physical volume of sales may have declined slightly.

COMMODITY PRICES

Prices received by farmers rose sharply from February to mid-March. The index reached a new high of 280 (1909-14 = 100), which is 13 points, or 7 percent, above February. Although nearly all farm commodities shared in the price advance, grains and meat animals increased most.

Supported by high levels of income and employment, the domestic demand for farm products remains strong. In addition, requests for relief appropriations and reports on conditions in Europe indicate a continued heavy export demand. As a result, prices of farm products are expected to remain relatively high at least until prospects for 1947 crops begin to be an important influence. Central market prices for most grains and meat animals, however, are now below mid-March highs. Also, dairy products are continuing a seasonal decline begun earlier and truck crop prices are beginning to decline seasonally.

Prices paid by farmers continue to set records. The index of prices paid including interest and taxes reached 229 (1910-14 = 100) in mid-March, a jump of 8 points above the previous month. Most of this increase resulted from higher prices for feed, food and building materials.

In early April, wholesale prices of a number of feedstuffs declined from the high levels of late March. Overall food prices also declined from March to April. But wholesale prices of most building materials, house furnishings, fertilizers, and other commodities purchased by farmers rose from March to mid-April.

Prices paid by farmers for most products are expected to continue at high levels for the next few months.

The ratio of prices received to prices paid including interest and taxes--the parity ratio--was 122 percent in March, 3 points above the previous month.

The index of wholesale prices of all commodities moved from 140 (1926 = 100) in early February to 149 by the last of March and was steady around 148 at the middle of April. Almost all prices participated in the March rise. The largest increases were in prices of farm and food products, both of which declined moderately, however, during the first half of April.

The consumer price index of the Bureau of Labor Statistics was stable around 153 (1935-39 = 100) from December 1946 through February but rose to 156 in March, an all-time record. Food prices declined from November 1946 through February, but rose 7 points from February to March reflecting higher wholesale prices.

FARM INCOME

With average prices of farm products well above the first part of 1946, farmers' cash income so far this year totals about one-fourth more than in the corresponding period last year.

From January through April, farmers' total cash receipts, including Government payments, were around 7.6 billion dollars, 26 percent more than last year. Cash receipts from livestock and products were up about 40 percent as a result of a corresponding increase in prices. Crop receipts increased 12 percent. Crop prices averaged 18 percent higher than last year, but the volume of crops marketed during the four months was about 5 percent below 1946.

LIVESTOCK AND MEAT

Prices of meat and meat-animals in general are somewhat higher than they usually are in relation to such factors as consumer spending power, meat production and meat exports. Some seasonal decline in prices is expected this fall. If there is a business recession during the summer or fall, the decline is likely to be pronounced.

Hog prices usually increase moderately from July through September as slaughter falls off, but may not do so this year. Cattle prices may decline during the summer as marketings increase. In early fall, when marketings of grass-fed cattle reach a seasonal peak, prices are likely to decline further.

Production of meat will be somewhat greater in 1947 than in 1946, but beef and veal will account for all of the increase. Production of pork in the first 8 months of 1947 is expected to be smaller than a year earlier. In the last 4 months, however, production may equal or exceed that of 1946 since the spring pig crop is expected to be moderately larger than last year. Production of lamb and mutton will be considerably smaller in 1947 than in 1946 because of a smaller lamb crop.

Meat supplies per person have been above last year, and are likely to continue so through the remainder of 1947. Consumer demand for meat, though, is probably at an all-time high. Consumption of meat per person during the first quarter of 1947 was the greatest for the period in at least 35 years. Yet, from last October

through March, livestock and meat prices were the highest ever recorded. In view of this strong demand, it is unlikely that a material drop in meat prices will occur except in case of a decline in consumers' incomes.

DAIRY PRODUCTS

Prices received by farmers for milk and butterfat are likely to fall about seasonally during the second quarter of 1947, continuing a seasonal decline that was about normal in the first quarter.

The average price received for milk sold at wholesale decreased almost twice the usual seasonal amount from November 1946 to February 1947 (\$5.13 per cwt. to \$4.48), but the decrease from February to March (\$4.48 to \$4.34) was slightly less than usual.

The average price received by farmers for butterfat on March 15 was 73.5 cents per pound. Although this was 13½ cents per pound below December 15, it was only one cent lower than January. Wholesale prices of butter in March (average for month) also were about the same as in January, but lower than the peak of late 1946. Average butter prices declined sharply from March to April, but the decrease from April to June is not likely to be as great.

Production of butter in mid-April was running about 30 percent over last year. Commercial stocks on April 1, however, were at the lowest level for the month in 20 years (5,083 thousand pounds).

Monthly average wholesale prices of Cheddar cheese were about the same in March as in January. January prices, though, were down sharply from the peaks reached in late 1946. And prices in April registered a new drop, falling considerably below previous months.

Apparently a strong Lenten demand, high meat prices, and British purchases for export kept cheese prices stable during the first quarter of 1947 despite production that, rising faster than normal, totaled 30 percent more than last year. Additional foreign purchases, the present high level of American consumer incomes, continued high meat prices, and low cheese stocks will remain significant factors in the demand for cheese, and probably will prevent the price decline from April to June from being as great as that from the first of the year to April.

The average price of nonfat dry milk solids in February was 11.33 cents per pound. This is the lowest price since September 1941. Slightly more than 25 million pounds of nonfat dry solids were purchased by the Government under the support program during March 1947. This quantity was over half of the April production.

POULTRY AND EGGS

Prices received by farmers for eggs and chickens in mid-March were the highest for that month since March 1920. Because of the sharp increases in the prices of commodities which farmers buy, however, poultry men were receiving prices only moderately above support levels (90 percent of parity). With processed eggs and dressed turkeys being purchased by the USDA in April to fulfill price support commitments, prices are likely to remain near support levels.

Egg prices, which normally rise about 35 percent between spring and late fall, are not expected to increase that much in 1946. Chicken prices, which normally decline slightly, will probably fall a little more than usual this year. Turkey prices, which usually increase moderately, will probably not change significantly.

Supplies of eggs and chickens in the second half of 1947 will be about one-tenth less than in the second half of 1946, and turkey supplies will be at least 15 percent smaller. Offsetting the effect of smaller supplies, however, will be a slightly reduced demand arising from larger marketings and lower prices of red meat.

FATS, OILS, AND OILSEEDS

Exceptionally low inventories and strong industrial and consumer demand are strong factors supporting prices of fats and oils. Factory and warehouse stocks of oils and fats on March 1 were about 750 million pounds (35 percent) below the prewar average.

A substantial increase in output of vegetable oils, lard and grease is expected in 1947-48. On March 1, farmers intended to plant more flaxseed and soybeans this year. High prices for hogs in relation to corn prices in recent months may lead to increased lard production. Also, net imports of oils and fats into the United States in 1947-48 may be somewhat larger than in 1946-47 because of further recovery in production abroad. In view of these prospects for increased production and imports, it is likely that prices of fats and oils will decline by late summer or fall of this year.

Prices of most vegetable oils, inedible tallow, and grease were at record highs in mid-March. The index number of wholesale prices of 26 major fats and oils, excluding butter, rose from 302 in December to 371 in March (1935-39 = 100). From mid-March to mid-April, prices of most oils and fats declined 3 to 6 cents per pound but were still double, or more than double, the wartime ceilings. Crude soybean oil, f.o.b. mills, was 28 to 29 cents per pound on April 15 compared with 11.8 cents under ceilings. Lard in tank car lots, Chicago, was 25 cents per pound compared with 12.8 cents during the war. Inedible tallow, extra, Chicago, was quoted at 22 cents per pound compared with 8.6 cents under ceilings.

CORN AND OTHER FEEDS

Prices of corn and most other feeds declined in late March and early April, but prices of practically all feeds in mid-April were still much above a year earlier when feed prices were under control.

Prices of oats and barley, which usually decline during the summer months, will probably decline less than usual this year unless production of these crops is average or better. Corn prices will continue to be held up this spring and summer by strong demand from domestic processors, large exports, and the high prices for hogs and most livestock products. During the last half of the current corn marketing year (April-September) over 200 million bushels of corn are expected to be used for nonfeed purposes, including exports, compared with an average of about 135 million bushels for the past 5 years. Prospects for the new crop will influence prices considerably during the summer.

The calculated parity price for corn has risen in recent months because of increases in the index of prices paid by farmers for commodities bought. In March it was \$1.47 per bushel. Last September the parity price, basis for the 1946 loan, was \$1.28. In September of this year, when the 1947 loans will be determined, the price may be higher than in September 1946.

The carry-over of oats on July 1 is expected to be a little smaller than the large carry-over of 278 million bushels in 1946, and the carry-over of barley will be about the same as the small carry-over a year earlier. The corn carry-over next October 1 is expected to be around 350 million bushels, more than double the 158 million in 1946.

The total quantity of corn, oats, and barley fed to livestock during the first half of the current feeding season beginning October 1, 1946 was 6 percent less than a year earlier. This decrease in feeding was nearly offset by larger exports and increased domestic commercial uses. The combined stocks of corn, oats, and barley on farms and at terminal markets on April 1 were 17 percent larger than a year earlier, and about the same as the 1941-45 average.

Weather in the Eastern two-thirds of the country up to mid-April was less favorable for the seeding of spring crops and the early growth of pastures than in other recent years. It caused increased grain feeding. Feeding of hay and other roughages also was unusually heavy for this season, especially in some areas of the South.

WHEAT

Wheat prices are expected to remain at high levels until the new winter crop is marketed in volume. Because of the prospective large export demand, prices are unlikely to fall to support levels in 1947-48.

Support for U. S. wheat prices at 90 percent of parity is provided for the 1947 and 1948 crops. If parity on June 15, when the 1947 crop loan rate is determined, is the same as in March, the average loan rate to growers for the 1947 crop will be \$1.32. This is considerably more than the loan rate of \$1.49 for the 1946 crop, but less than the mid-March farm price of \$2.44.

Another record United States wheat crop may be harvested in 1947. On March 1, farmers reported that they intended to seed 19.3 million acres of spring wheat. If this acreage were actually planted and yields equal the 1937-46 average, production of all spring wheat would be about 265 million bushels. This, combined with the April estimate of about 373 million bushels of winter wheat, indicates a 1947 wheat crop of approximately 1,240 million bushels. If the crop is this large and domestic disappearance is again about 790 million bushels, about 450 million bushels will be available either for export in 1947-48 or as an addition to carry-over on July 1, 1948. Exports probably will again be large in 1947-48, but some increase in the carry-over on July 1, 1948 is likely to occur.

The total U. S. supply of wheat for the 1946-47 year was 1,256 million bushels. It is expected that exports of wheat from this supply (as wheat and flour) will be about 360 million bushels. With domestic uses expected to total 790 million bushels, the carry-over of old-crop wheat will be about 100 million bushels on July 1, nearly the same as July 1, 1946.

Crop prospects in Europe for 1947; except for Italy and Danubian countries, are not favorable. Conditions in North Africa are reported satisfactory except in Tunisia. In India, where the harvest is now in progress, prospects are for about an average crop. Moisture conditions in Canada are generally favorable.

FRUIT

In May and June, prices for most citrus fruits are expected to advance slightly. Apple prices are expected to continue at present levels and strawberry prices to decline moderately. However, prices of these fruits are generally lower than a year ago. Although demand has continued strong, supplies have been larger than in 1946.

Prices for oranges and grapefruit at principal terminal auction markets in early April had recovered considerably from the low levels of January. Further slight increases in prices for Florida oranges seem likely this spring as supplies decline seasonally. Prices for California oranges, however, may rise no further and even may decline. About 38 million boxes of California oranges, 9 million more than a year earlier, remained for harvest after April 1. Slight advances in prices for grapefruit appear probable as shipments decline in late spring. Although warm weather increases demand, prices of lemons may increase only slightly this spring because unusually large supplies remain to be marketed from the 1946-47 crop.

Since storage stocks of apples on April 1 were at the 1942-46 average, it is not likely that prices growers receive for sale of the remaining stocks will change greatly.

Prices for strawberries at shipping points and terminal wholesale markets declined in early April to levels slightly above a year earlier as shipments from Louisiana and other early spring areas gained volume. As movement begins from the mid-spring States, where production is estimated to be 6 percent larger than in 1946, prices probably will decline slightly below last year.

Stocks of processed fruits and fruit juices on March 1, 1947 were considerably larger than a year earlier. Stocks of canned fruits in hands of packers and distributors were nearly twice those of last year. Demand for deciduous fruits for processing in 1947 is nevertheless expected to be strong and prices may be only slightly below those of 1946.

COMMERCIAL TRUCK CROPS

Prices farmers will receive in May and June for most commercial truck crops sold for the fresh market are expected to be considerably higher than in the same months of 1946. All forecasts of spring production, with the exception of snap beans, are smaller than last year. For cucumbers, eggplant, onions, green peas, green peppers, and tomatoes, spring production is expected to be from 29 to 49 percent smaller than in 1946. Compared with the 1936-45 average, however, production this year will be larger for most truck crops and will be considerably smaller than average only for beets, green peas, shallots, and spinach.

Acreage for summer harvest this year compared with 1946 is expected to be moderately smaller for cabbage and watermelons, and much smaller for onions.

Production of commercial truck crops for fresh market during this past winter was 12 percent smaller than during the same period a year earlier, and production during the early spring was 16 percent smaller than a year ago. This reduced production resulted from smaller acreages planted and from unfavorable weather in some areas which delayed planting, slowed development, and caused serious loss of crops ready for harvest. Strong demand for fresh vegetables, competing for the reduced supply, has forced prices above 1946 levels for many crops.

Packers' and distributors' stocks of canned vegetables were considerably larger this March than a year earlier. Stocks of frozen vegetables April 1 this year were nearly double those of a year earlier. However, available data on retail prices of canned vegetables in the United States show prices firmly maintained at very high levels.

Early reports received from processors indicate their intention to contract and plant slightly smaller acreages of crops for canning and freezing this year than last. Information that is available shows acreage intentions larger than 1946 plantings by 2.5 percent for sweet corn, but smaller by 4 percent for green peas and by 7 percent for snap beans.

POTATOES AND SWEETPOTATOES

Prices received by growers for 1946 crop potatoes probably will remain near mid-April levels for the rest of the season. Prices of old potatoes may have a tendency to fall slightly after exports decline. This may be offset, though, by a much shorter supply of new potatoes this spring.

Foreign interest in our surplus potatoes was stimulated recently by the temporary inability to get enough wheat and by the purchase of potatoes for seed use in Germany. Total export orders probably exceed the quantity that can be shipped before warm weather causes excessive deterioration. Later shipments, although possible under refrigeration, are not likely due to the high costs of refrigerated shipping.

Because the acreages and yields of 1947 crop early commercial potatoes are much smaller this season than last, new potatoes have been selling at prices moderately above corresponding prices a year earlier, and probably will rise even more above last year's levels as the supply of old potatoes disappears in late spring.

Features of the 1947 potato price support program which differ from the program for the 1946 crop includes (1) participation is limited to growers who have complied with potato acreage goals; (2) loans, while available, no longer will be the principal means of late crop price support; (3) dealer assistance in program operations on a contract basis is authorized; (4) potatoes acquired under the price-support program may be resold in consumer markets at less than support prices; (5) the Department will encourage the potato industry to utilize its own facilities to maintain orderly marketing and improve the quality offered to consumers by developing marketing agreements and orders in areas to which they are adapted; and (6) growers must take affirmative action to establish their eligibility for participation.

Very few sweetpotatoes will remain for shipment after the middle of May. Prices received by growers in the meantime are expected to rise slightly, but to remain moderately below corresponding prices a year earlier.

DRY EDIBLE BEANS AND PEAS

Prices received by growers for the remaining small stocks of dry edible beans and peas probably will continue at present levels. Prices of beans on March 15, 1947 averaged \$12.00 per 100 pounds, nearly twice the support level. Prices of peas averaged \$4.89, only moderately above the support price. Small quantities of beans and peas continue to be allocated for shipment to foreign countries as they become available.

According to the Prospective Plantings Report of this spring, farmers will plant 11 percent more acres to dry beans and 10 percent more acres to dry peas than they did in 1946. Grower prices for the new crops again will be supported, if necessary, at 90 percent of parity for thresher-run peas, as announced last fall, and at not less than 90 percent of parity for beans.

COTTON

Early in April, cotton prices at 10 markets began to decline from the March peak of slightly over 36 cents. On April 15, price of 15/16 Middling at 10 markets averaged almost a cent below a month earlier. After this decline, cotton prices turned upward on April 15 and rose during the next six trading days to the highest levels since the peak of last October. On April 22 the average price at 10 markets was 36.60 cents, about $2\frac{1}{4}$ cents below the October peak.

Mill buying as a whole is still at a comparatively low level and spot sales are running a third smaller than a month earlier. Sales in the 10 spot markets averaged 69,550 bales between March 21 and April 17, compared with an average of 109,200 bales during the previous four weeks and 112,375 bales during the same period last year.

Reports of less activity in domestic textile markets during the last week in March and the slow market continuing into the first half of April are the principal changes noted in the cloth market. Removal of export controls on textiles as of March 15 is not expected to affect immediately the amount of cloth exported.

Domestic mills used 41,673 bales per working day in March, slightly less than the February daily rate, and 3 percent above the daily rate for the first seven months of this season. The 875,124 bales consumed in March bring the total for the first eight months to almost 7.0 million bales. Mill use during the last four months is expected to continue at about the March level with the possible exception of some seasonal decline in June and July. Consumption for the season is estimated at about 10 million bales. Assuming domestic use of this amount and net exports of 3 million bales (exports of $3\frac{1}{4}$ million and imports of $\frac{1}{4}$ million bales), the carry-over next August 1 would be 3 million bales, or 60 percent less than the carry-over last August 1 and the lowest since 1929.

WOOL

As the new season opened the Congress was considering legislation to direct the Commodity Credit Corporation to continue supporting wool prices to growers during 1947 and 1948. The recent CCC wool purchase program inaugurated April 15, 1943 expired on April 15, 1947.

The legislation under consideration would allow the CCC to dispose of its accumulated wool stocks at prices below parity. Sales of CCC wools, required by existing legislation to be made only above parity, have been quite small so far during 1947. In most cases, prices have been higher than the prices of comparable duty-paid imported wools after allowing for differences in preparation.

Wool prices were reported firm to rising in most foreign markets during March. In the domestic market, the price of imported wools was increasing during the month. Australian good topmaking fine wools in bond at Boston were quoted at 90.5 cents (clean basis, excluding duty) for the week ended April 4 compared with 85 cents for the first week in March. The April price, after allowing for the duty and differences in preparation, is not much below the price at which the CCC was purchasing similar domestic wool.

Economic Trends Affecting Agriculture

Annual Data

Item	Unit or Base	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940	1941	1942	1943	1944	1945	1946
Industrial Production 1/																			
Total	1935-39 = 100	110	91	75	58	69	75	87	103	113	89	109	125	162	199	239	235	203	170
All manufacturing	"	110	90	74	57	68	74	87	104	113	87	109	126	168	212	258	252	214	177
Durable goods	"	132	98	67	41	54	65	83	108	122	78	109	139	201	279	360	353	274	192
Nondurable goods	"	93	84	79	70	79	81	90	100	106	95	109	115	142	158	176	171	166	165
Minerals	"	107	93	80	67	76	80	86	99	112	97	106	117	125	129	132	140	137	134
Construction Activities 1/																			
Contracts, total	1935-39 = 100	204	160	110	49	44	56	65	96	103	111	125	141	212	289	118	71	118	263
Contracts, residential	"	213	122	91	32	27	29	52	91	100	110	147	176	218	201	98	39	64	343
Wholesale Prices 2/																			
All commodities	1935-39 = 100	118	107	91	80	82	93	99	100	107	98	96	98	108	123	128	129	131	150
All commodities except farm and food	"	113	105	92	86	88	97	96	98	105	101	100	102	110	118	119	121	123	135
Farm products	"	138	116	85	63	68	86	104	106	114	90	86	89	108	139	161	162	169	196
Food	"	126	114	94	77	76	89	106	104	108	93	89	90	105	126	135	133	134	165
Prices Received and Paid by Farmers 3/																			
Prices received, all products	1910-14 = 100	149	128	90	68	72	90	109	114	122	97	95	100	124	159	192	195	202	233
Prices paid, interest and taxes	"	167	160	141	124	120	129	130	127	133	126	124	125	132	150	162	170	174	194
Parity ratio	"	89	80	64	55	60	70	84	90	92	77	77	80	94	106	119	115	116	120
Consumers' Price 2/																			
Total	1935-39 = 100	123	119	109	98	92	96	98	99	103	101	99	100	105	117	124	126	128	139
Food	"	132	126	104	86	84	94	100	101	105	98	95	97	106	124	138	136	139	160
Nonfood	"	118	116	111	103	97	97	97	98	101	102	102	102	105	113	116	120	123	128
Incomes																			
Nonagricultural payments 4/	1935-39 = 100	122	110	95	73	70	80	86	101	107	99	106	115	138	171	209	231	236	239
Cash farm	"	142	113	80	60	67	79	89	105	111	96	99	105	140	192	243	248	261	300
Income of Industrial Workers 3/	1935-39 = 100	134	110	84	58	61	76	86	100	117	91	105	119	169	241	322	335	290	270
Factory Payrolls 2/	"	128	103	78	54	58	74	86	99	118	91	106	122	178	261	356	368	312	284
Weekly Earnings of Factory Workers 2/																			
All manufacturing	Dollars											23.86	25.20	29.58	36.65	43.14	46.08	44.39	43.73
Durable goods	"											26.50	28.44	34.04	42.73	49.30	52.07	49.05	46.48
Nondurable goods	"											21.78	22.27	24.92	29.13	34.12	37.12	36.29	41.01
Employment																			
Total civilian 5/	Mil. persons	46.3	44.2	41.1	37.7	37.5	39.8	41.2	43.4	45.3	43.2	44.9	46.5	49.1	52.1	52.4	51.8	52.0	55.2
Nonagricultural establishments 2/	"	31.1	29.0	26.1	22.9	23.1	25.4	26.6	28.8	30.6	28.7	30.3	32.0	36.2	39.7	42.0	41.5	40.0	40.7
Farm 3/	"	11.3	11.2	11.2	11.1	11.0	10.9	11.1	11.0	10.9	10.8	10.7	10.6	10.4	10.4	10.3	10.0	9.8	10.0
Government Finance (Fed.) 6/																			
Receipts, net	Mil. dollars						291	321	364	483	471	410	486	737	1,367	2,580	3,702	3,837	3,467
Expenditures	"						607	557	770	646	675	740	805	1,588	4,568	7,340	8,096	7,946	3,617

Sources: 1/ Federal Reserve Board; indexes of construction converted to 1935-39 base. 2/ Department of Labor, BLS. 3/ Department of Agriculture, E.A.E. To convert prices received and prices paid interest and taxes to 1935-39 base, multiply by .93110 and .78125 respectively. 4/ Department of Commerce. 5/ 1941-46 are from the Census Bureau's Monthly Report on the Labor Force. Figures for 1929 to 1940 are primarily estimates by the Bureau of Labor Statistics. 1946 not strictly comparable with previous years. 6/ Department of Treasury. Data are on average monthly basis for calendar years.

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TOBACCO

Maryland tobacco auctions opened April 22. Prices of the large 1946 crop are expected to be favorable to growers but for the season as a whole probably will not average as high as the 57.0 cents per pound realized for the small 1945 crop. Favorable price factors include the continuing record high level of cigarette manufacture, the low stocks in the hands of dealers and manufacturers and the reported high quality of the crop. Exports of Maryland type tobacco in January and February were well above those months last year. For 1946 as a whole, they were more than double 1945 and exceeded the 1934-38 average by 21 percent.

The 1946 crop of burley, for which regular auctions ended March 31, averaged about 39.7 cents per pound for gross sales compared with 39.5 cents for the 1945 crop. Nearly 150 million pounds of burley, or 23 percent, were delivered for Government loans. Prices of Eastern District fire-cured, type 22, declined in early April, and Western District, type 23, showed little change. Through Mid-April this season, prices of type 22 average 26.8 cents per pound, 17 percent lower than last season, while type 23 at 22.2 cents per pound was 24 percent below 1946. Foreign purchases of these types have been slack and deliveries for Government loans have amounted to around 32 and 60 percent of sales for types 22 and 23.

Cigarette tax paid withdrawals for March totaled 26 billion, nearly the same as during March 1946. Tax-paid withdrawals of large cigars in March fell 12 percent below March 1946. Consumption of smoking and chewing tobacco in March was about 4 percent above March last year while snuff fell 10 percent below March 1946. If business activity declines, cigarettes probably would be affected less than cigars while smoking tobacco consumption would increase as more smokers shifted to pipes or hand-rolled cigarettes.

February exports of leaf tobacco totaled 54.4 million pounds (declared weight), 30 percent higher than February 1946.

Flue-cured exports to Britain during 1947-48 will be smaller than the current year because of sharply increased import duties. The resulting higher retail prices of cigarettes and tobacco in Britain are designed to reduce consumption and thereby lessen the use of dollar exchange for purchases of United States leaf.